



Iowa Department of Human Services

INFORMATIONAL LETTER NO.1933-MC-FFS

DATE: August 13, 2018

TO: All Rebase and Out-of-State Iowa Medicaid Hospitals (excluding Critical Access Hospitals)

APPLIES TO: Managed Care (MC) and Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Implementation and Reprocessing of Outpatient Hospital Rebase

EFFECTIVE: Immediately

The Centers for Medicare and Medicaid Services (CMS) approved the State Plan Amendments (SPA) corresponding to the outpatient hospital rebase effective January 1, 2018. The IME claims processing system has been updated with the outpatient hospital services rate rebase amounts. Outpatient hospital services rates have been sent to the Managed Care Organizations (MCOs) for use based on their contracts with providers.

Iowa hospitals that had provider-specific rates calculated were provided with the cost allocation work papers, base rate amounts, and cost-to-charge ratios. Out-of-state hospitals that did not have a Fiscal Year (FY) 2016 Medicare and Medicaid cost report on file with the IME received the state-wide average amounts for hospitals not participating in the hospital health care access assessment program:

- Outpatient hospital base rate - \$71.03
- Outpatient hospital cost-to-charge ratio – 0.23

The IME will reprocess previously paid outpatient hospital claims with dates of service beginning January 1, 2018. MCOs will reprocess claims according to their provider contracts.

If you have any questions, please contact IME Provider Cost Audit at 1-866-863-8610 or email at costaudit@dhs.state.ia.us.